

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee & West Baton Rouge, Louisiana

Annual Financial Report

As of and for the Year Ended
June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 25 2012**

DONALD C. De VILLE
Certified Public Accountant
7829 Bluebonnet Boulevard
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**EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

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INDEPENDENT AUDITOR'S REPORT

December 14, 2011

Honorable Judges
Eighteenth Judicial District Court
Parishes of Iberville, Pointe Coupee & West Baton Rouge, Louisiana

I have audited the accompanying basic financial statements of Eighteenth Judicial District Court, as of and for the year ended June 30, 2011, as listed in the Table of Contents. The basic financial statements are the responsibility of Eighteenth Judicial District Court's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statement referred to above present fairly, in all material respects, the financial position of Eighteenth Judicial District Court as of June 30, 2011, and the results of operations for the year the ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 14, 2011, on my consideration of Eighteenth Judicial District Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The budgetary comparison information on pages 24 to 27 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express an opinion on it.

The Eighteenth Judicial District Court has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Handwritten signature: HmdC Reville

Basic Financial Statements

GOVERNMENT WIDE STATEMENT OF NET ASSETS

**EIGHTEENTH JUDICIAL DISTRICT COURT
PARISHES OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE, LOUISIANA
JUNE 30, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash	\$506,683
Cash-Certificate of Deposits	946,510
Intergovernmental Receivable	73,744
Other Receivables	2,678
Prepaid Expense	6,078
Deposit	230
Capital assets, net of accumulated depreciation	19,245
Total Assets	<u>1,555,168</u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Accounts Payable	\$43,936
Payroll Taxes Payable	\$15,063
Accrued Wages Payable	\$2,084
Compensated Absences	14,766
Total Liabilities	<u>75,849</u>
NET ASSETS	
Invested in Capital Assets, net of debt	19,245
Unrestricted	1,460,074
Total Net Assets	<u>1,479,319</u>

The accompanying notes are an integral part of this statement.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

EIGHTEENTH JUDICIAL DISTRICT COURT

PARISHES OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE, LOUISIANA

For the Year Ended June 30, 2011

	<u>Program Revenues</u>				Net (Expenses) Revenues and Increases (Decreases) in Net Assets
	<u>Operating</u>				
	<u>Charges for</u>	<u>Grants and</u>	<u>Capital Grants</u>		
	<u>Expenses</u>	<u>Services</u>	<u>Contributions & Contributions</u>		<u>Governmental</u>
Governmental Activities					Activities
PUBLIC SAFETY					
SUPPORT SERVICES					
Judicial Expense	\$568,878	\$613,449	\$0	\$0	44,571
Probation	863,750	890,657	0	0	26,907
Hearing Officer	222,895	0	147,513	0	(75,382)
Pointe Coupee Drug Court	139,857	5,159	136,293	0	1,595
Total Governmental Activities	<u>1,795,380</u>	<u>1,509,265</u>	<u>283,806</u>	<u>0</u>	<u>(2,309)</u>
General Revenues:					
Other Income					72
Investment earnings					15,854
Total general revenues and transfers					<u>15,926</u>
Change in Net Assets					13,617
Net assets-beginning					<u>1,465,702</u>
Net assets-ending					<u><u>1,479,319</u></u>

The accompanying notes are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS

EIGHTEENTH JUDICIAL DISTRICT COURT
PARISHES OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE, LOUISIANA
June 30, 2011

	Judicial Expense	PROBATION	HEARING OFFICER	DRUG COURT	NON MAJOR FUNDS	TOTAL
ASSETS:						
Cash	\$228,643	\$260,834	\$0	\$17,206	\$0	\$506,683
Cash-Certificate of Deposit	167,473	779,037	0	0	0	946,510
Accounts Receivable	2,678	0	0	0	0	2,678
Intergovernmental Receivable	50,948	0	11,878	10,918	0	73,744
Prepaid Expense	0	6,078	0	0	0	6,078
Due From Other Funds	99,703	6,312	0	0	0	106,015
Deposits	230	0	0	0	0	230
Total Assets	549,675	1,052,261	11,878	28,124	0	1,641,938
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts Payable	\$1,933	\$36,546	\$0	\$5,457	\$0	\$43,936
Payroll Taxes and Related Payable	0	15,063	0	0	0	15,063
Accrued Wages	0	2,084	0	0	0	2,084
Compensated Absences Payable	0	14,766	0	0	0	14,766
Due To Other Funds	0	2,238	93,977	9,800	0	106,015
Total Liabilities	1,933	70,697	93,977	15,257	0	181,864
FUND BALANCES:						
Nonspendable:						
Prepaid Items	0	6,078	0	0	0	6,078
Unassigned	547,742	975,486	(82,099)	12,867	0	1,453,996
Total Fund Balance	547,742	981,564	(82,099)	12,867	0	1,460,074
Total Liabilities and Fund Balances	549,675	1,052,261	11,878	28,124	0	1,641,938

The accompanying notes are an integral part of this statement.

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana

Reconciliation of Fund Balances on the Balance Sheet
For Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
June 30, 2011

Fund Balances - Total Governmental Funds	\$1,460,074
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Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds

Add: Capital Assets	266,796
Deduct - Accumulated depreciation	<u>(247,551)</u>
Net adjustments	<u>19,245</u>

Net Assets of Governmental Activities	<u>1,479,319</u>
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The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

EIGHTEENTH JUDICIAL DISTRICT COURT
PARISH OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE, LOUISIANA
June 30, 2011

	JUDICIAL EXPENSE	PROBATION	HEARING OFFICER	DRUG COURT	NON- MAJOR FUNDS	TOTAL
REVENUE						
Intergovernmental	\$549,984	\$0	\$147,513	\$115,400	\$0	\$812,897
Grant - TANF	0	0	0	20,893	0	20,893
Fees	63,465	890,657	0	5,159	0	959,281
Interest Income	3,010	12,844	0	0	0	15,854
Other Income	72	0	0	0	0	72
	<u>616,531</u>	<u>903,501</u>	<u>147,513</u>	<u>141,452</u>	<u>0</u>	<u>1,808,997</u>
EXPENDITURES						
PUBLIC SAFETY						
CURRENT						
Salaries	328,473	215,874	145,901	48,923	0	739,171
Fringe	79,463	64,926	52,101	8,415	0	204,905
Travel	55,784	3,629	6,255	7,023	0	72,691
Operating Services	88,369	19,301	12,799	73,314	0	193,783
Operating Supplies	7,594	13,471	5,839	1,564	0	28,468
Fines & Restitution	0	546,537	0	0	0	546,537
Capital Outlay	0	13,813	0	0	0	13,813
	<u>559,683</u>	<u>877,551</u>	<u>222,895</u>	<u>139,239</u>	<u>0</u>	<u>1,799,368</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	56,848	25,950	(75,382)	2,213	0	9,629
FUND BALANCE, Beginning	490,894	955,614	(6,717)	10,654	0	1,450,445
FUND BALANCE, Ending	<u>547,742</u>	<u>981,564</u>	<u>(82,099)</u>	<u>12,867</u>	<u>0</u>	<u>1,460,074</u>

The accompanying notes are and integral part of this statement.

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana

**Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011**

Net Change in Fund Balances - Total Governmental Funds	\$9,629
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Amounts reported for governmental activities in the
statements of activities are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense.
This is the amount by which capital outlays exceeded
depreciation expense in the current period.

Add: Capital outlays	10,497
Deduct - depreciation expense	(6,509)
Net Adjustment	<u>3,988</u>

Change in Net Assets of Governmental Activities	<u>13,617</u>
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The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

INTRODUCTION

The General Fund (Judicial Expense Fund) for the Eighteenth Judicial District Court (District Court) was created by LSA-RS 13:621.18 and 13:996.58, as having four judges. In general, the creating statutes provide that the judges of the District Court may levy court cost for operations of the Court. The amount of the court cost to levied in civil and criminal cases is determined by the majority of the judges in the District. The amount of the cost levied cannot exceed the amount established by the creating statute. Court cost are normally collected by the District Court of court and sheriff of each parish, remitted to the judges, and deposited to the Judicial Expense Fund. Expenditures for the fund are determined by the majority of the judges. Expenditures/expenses normally include materials and supplies, law library, and salaries of those individuals appointed by the judges. The judges may appoint law clerks, court reporters, secretaries, research clerks, administrative staff and other personnel as deemed necessary. The salaries of the judges cannot be paid from the Judicial Expense Fund.

The Judicial District Court encompasses the parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana, with courthouses in Plaquemine, New Roads, and Port Allen, respectively. The four judges are independently elected by the people.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Eighteenth Judicial District Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

All of the judges are independently elected officials; however, the Judicial District Court is fiscally dependent on the Police Juries of Iberville and Pointe Coupee and the Parish Council of West Baton Rouge Parish Council. The Parish Police Juries/Council provide office space, courtrooms and related utility costs as well as partial funding of salary cost. Because the Judicial District Court is fiscally dependent on the parish police juries and council, the Judicial District Court was determined to be a component unit of the Parishes of Iberville, Pointe Coupee and West Baton Rouge, the financial reporting entities.

The accompanying financial statements present information only on the funds maintained by the Eighteenth Judicial District Court and do not present information on the parishes police juries and council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds account for all or most of the District Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District Court of Court. The following is the District Court's governmental funds:

General Fund is the entity's primary operating fund of the District Court and it accounts for all financial resources of the entity, except those required to be accounted for in another funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according with state and federal laws and accounting to District Court policy.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Eighteenth Judicial District Court has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Major Special Revenue Funds

Probation Fund is used to account for funds, which are used to administer the Eighteenth Judicial District Court's Probation Department.

Hearing Officer Fund is used to account for the funds to administer the Family Court, divorce matters, child protection and property matters.

Drug Court Fund is used to account for the funds to administer the Drug Court in Pointe Coupee Parish.

Non-Major Special Revenue Funds

None

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the source (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District Court operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Court considers all revenue available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Court cost and fees, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Government-Wide Financial Statements (GWFS)

The column labeled *Statement of Net Assets* and the column labeled *Statement of Activities* display information about the District Court as a whole. These statements include all the financial activities of the District Court. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

Program Revenue – Program revenue include in the column labeled *Statement of Net Assets* are derived directly from District Court users as a fee for service; program revenue reduces the cost of the function to be financed from the District Court's general revenues.

E. BUDGETS

The District Court uses the following budget practices:

1. The budgetary calendar – The budget is adopted in early June.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. There are no outstanding encumbrances.
4. The GAAP basis is use in preparing and reporting the budgets and those funds not budgeted.
5. The District Court will time to time make changes or amendments within the various budget classifications.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District Court's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

G. INVESTMENTS

Investments for the District Court are reported at fair value. Investments are limited by Louisiana Revised Statute (R.S) 33:2955 and the District Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received.

Payables consist of all expenses/expenditures incurred at year end and not yet paid.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other fund on the balance sheet. Short-term inter-fund loans are classified as inter-fund receivables/payables.

J. INVENTORIES AND PREPAID ITEMS

All immaterial inventories of the governmental funds are recorded as expenses/expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available capital assets are capitalized at fair market value. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment, Furniture and Fixtures	5 To 10 Years

L. COMPENSATED ABSENCES

The District Court's recognition and measurement criteria for compensated absences follows:

Employees of the District Court of Court's office earn from two to five weeks of vacation leave each year. Vacation leave cannot be accumulated nor carried forward to succeeding years. The District Court has not adopted a formal policy regarding sick leave. At year-end the employees of the District Court have no accumulated or vested benefits required to be reported in accordance with GASB Statement No. 16.

M. FUND EQUITY

In the fund financial statements, governmental funds may report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2011, the District Court has cash and cash equivalents (book balances) totaling \$506,683 as follows:

	<u>General Fund</u>	<u>Probation</u>	<u>Drug Court</u>
Demand deposits	\$228,643	\$9,758	\$17,206
Interest-bearing demand deposits	0	251,076	0
Total	<u>228,643</u>	<u>260,834</u>	<u>17,206</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2011, the District Court had \$600,499 in deposits (collected bank balances). These deposits are secured from risk by \$529,198 of federal deposit insurance and \$339,311 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District Court or its agent in the District Court's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the District Court's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the District Court's name

These certificates of deposit were insured by FDIC insurance and pledged securities

At fiscal year-end, the District Court's investment balances were as follows:

Type of Investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificate of Deposit	\$946,510	0	0	\$946,510	0	\$946,510	946,510
Bonds	0	0	0	0	0	0	0
Total	946,510	0	0	946,510	0	946,510	946,510

4. RECEIVABLES

The receivables of \$76,422 at June 30, 2011, are as follows:

Class of Receivable

Accounts	
Other	\$2,678
Intergovernmental	
Judicial Expense Fund	50,948
Hearing Officer Fund	11,878
Drug Court Fund	10,918
Total	73,744

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2011, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated				
Furniture, equipment and vehicles	256,300	10,497	-0-	266,797
Total capital assets being depreciated	256,300	10,497	-0-	266,797
Less accumulated depreciation for:				
Furniture, equipment and vehicles	(241,043)	6,509	-0-	(247,552)
Total accumulated depreciation	(241,043)	6,509	-0-	(247,552)
Total capital assets being depreciated, net	15,257	3,988	-0-	19,245

6. ACCOUNTS AND OTHER PAYABLES

The payables of \$75,849 at June 30, 2011, are as follows

	<u>Accounts Payable</u>	<u>Employee Withholdings</u>	<u>Accrued Expenses</u>	<u>Total</u>
Accounts Payable	43,936	0	0	43,936
Employee Withholdings	0	15,063	0	15,063
Accrued Wages	0	0	2,084	2,084
Compensated Absences	0	0	14,766	14,766
Total Payables at Year-End	43,936	15,063	16,850	75,849

7. INTERFUND RECEIVABLES AND PAYABLES - Fund Financial Statement

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Those receivables and payables are classified as due from other funds and due to other funds on the balance sheet. Such advances create short-term inter-fund loans. A summary of these inter-fund loans, at year-end, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Hearing Officer Fund	\$93,977
General Fund	Drug Court Fund	3,488
General Fund	Probation Fund	2,238
Probation Fund	Drug Court Fund	6,312
Total		<u>106,015</u>

8. RETIREMENT SYSTEMS – Judicial Expense Fund and Hearing Officer Fund

A. Plan Description

- Substantially all of the Judicial Expense Fund and Hearing Officer's employees are members of the Louisiana State Employees' Retirement System of Louisiana (System) a single employer plan.
- A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.
- Final-average compensation will be based on the member's average earned compensation for the highest 60 consecutive months of employment.
- Act 992 of 2010 Regular Session, effective January 1, 2011, provides for the creation of Judges Plan for LASER's members who are hired on or after January 1, 2011. The act also provides for a change in retirement eligibility for Act 75 members from 10 years of service at age 60 to 5 years of service at age 60. The system also provides death and disability benefits. Benefits are established by state statute.
- The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employee's Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

B. Funding Policy

- Under the Plan A, members are required by state statute to contribute 8% of their annual covered salary and to Organization enter is required to contribute at an actuarially determined rate. The current rate is 22% of annual covered payroll. The contribution requirements of plan members and the Center are established and may be amended by state statute.
- As provided by Louisiana Revised Statute Chapter 2 of Title 11, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The District Court's contributions to the System for the years ended June 30, 2011, June 30, 2010, and June 30, 2009, were \$73,275, \$58,059, and \$43,302, respectively, equal to the required contributions for each year.

9. RETIREMENT SYSTEMS – Probation and Drug Court

A. Plan Description

- Substantially all of the Probation and Drug Court's employees are members of the Parochial Employees' Retirement System of Louisiana (System) a cost sharing, multiple-employer, non-qualified defined benefit pension plan controlled and administered by a separate board of trustee. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Center are members of Plan A.
- Employees with 7 or more years of service who have attained age 60 or employees who have 25 years of service who have attained the age of 55, or 30 years of service at any age are entitled to annual pension benefits equal to 3% of their final-average salary for each year of creditable service. However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980.
- Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.
- Employee who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the age specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.
- The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

B. Funding Policy

- Under the Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and to Center is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of plan members and the Center are established and may be amended by state statute.
- Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Center are established and may be amended by state statute.
- As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The District Court's contributions to the System under Plan A of the years ended June 30, 2011, June 30, 2010, and June 30, 2009, were \$37,632, \$36,466, and \$20,694, respectively, equal to the required contributions for each year.

10. LEASES

The District Court has an immaterial copier lease and does not record items under capital leases as assets and obligations in the accompanying financial statements.

11. COMPENSATION PAID TO THE DISTRICT COURT OF COURT

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, there was no compensation that needs to be reported.

12. LITIGATION AND CLAIMS

As of June 30, 2011, there was no litigation pending against the Eighteenth Judicial District Court, nor was the Eighteenth Judicial District Court aware of any un-asserted claims.

No claims were paid out or litigation costs incurred during the year ended June 30, 2011.

13. RISK MANAGEMENT

The District Court is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Court has purchase commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the District Court's coverage.

14. TANF EXPENDITURES/EXPENSES

Administrative and Personnel	\$2,081
Treatment	13,135
Testing and Laboratory	2,618
Office Expense	466
Other Services	279
Travel and Training	<u>2,314</u>
Total TANF	<u>20,893</u>

15. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through December 14, 2011, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

**EIGHTEENTH JUDICIAL DISTRICT COURT
PARISH OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE - JUDICIAL EXPENSE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental	\$598,700	\$598,700	\$549,984	(\$48,716)
Fees	\$0	\$0	\$63,465	
Interest Income	\$0	\$0	\$3,010	
Other Income	2,000	2,000	72	(1,928)
Total Revenues	600,700	600,700	616,531	(50,644)
EXPENDITURES:				
Public Safety				
Salaries	321,100	321,100	328,473	(7,373)
Fringe Benefits	110,300	110,300	79,463	30,837
Travel	48,200	48,200	55,784	(7,584)
Operating Services	75,600	75,600	88,369	(12,769)
Operating Supplies	13,500	13,500	7,594	5,906
Other	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	568,700	568,700	559,683	9,017
Excess (Deficiency) Of Revenue Over Expenditures	32,000	32,000	56,848	(41,627)
FUND BALANCE, Beginning	490,894	490,894	490,894	0
FUND BALANCE, Ending	522,894	522,894	547,742	(41,627)

See notes to required supplementary information.

**EIGHTEENTH JUDICIAL DISTRICT COURT
PARISH OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE - PROBATION FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Probation Fees	\$303,200	\$303,200	\$890,657	\$587,457
Investment Income	0	0	12,844	12,844
Total Revenues	303,200	303,200	903,501	600,301
EXPENDITURES:				
Current				
Personnel	204,000	204,000	215,874	(11,874)
Fringe	29,000	29,000	64,926	(35,926)
Travel	0	0	3,629	(3,629)
Operating Services	62,200	62,200	19,301	42,899
Operating Supplies	6,000	6,000	13,471	(7,471)
Fines & Restitution	0	0	546,537	(546,537)
Other	0	0	0	0
Capital Outlay	2,000	2,000	13,813	(11,813)
Total Expenditures	303,200	303,200	877,551	(574,351)
Excess (Deficiency) Of Revenue Over Expenditures	0	0	25,950	25,950
FUND BALANCE, Beginning	0	0	955,614	0
FUND BALANCE, Ending	0	0	981,564	25,950

See notes to required supplementary information

**EIGHTEENTH JUDICIAL DISTRICT COURT
PARISH OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE - HEARING OFFICER FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental	\$173,414	\$173,414	\$147,513	(\$25,901)
Total Revenues	<u>173,414</u>	<u>173,414</u>	<u>147,513</u>	<u>(25,901)</u>
EXPENDITURES:				
Current				
Personnel	118,114	118,114	145,901	(27,787)
Fringe	28,800	28,800	52,101	(23,301)
Travel	4,800	4,800	6,255	(1,455)
Operating Services	16,500	16,500	12,799	3,701
Operating Supplies	5,200	5,200	5,839	(639)
Other	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>173,414</u>	<u>173,414</u>	<u>222,895</u>	<u>(49,481)</u>
Excess (Deficiency) Of Revenue Over Expenditures	0	0	(75,382)	(75,382)
Other Financial Sources				
Transfers In	0	0	0	0
Net Changes in Fund Balances	0	0	(75,382)	(75,382)
FUND BALANCE, Beginning	<u>(6,717)</u>	<u>(6,717)</u>	<u>(6,717)</u>	<u>0</u>
FUND BALANCE, Ending	<u>(6,717)</u>	<u>(6,717)</u>	<u>(82,099)</u>	<u>(75,382)</u>

See notes to supplementary information.

**EIGHTEENTH JUDICIAL DISTRICT COURT
PARISH OF IBERVILLE, POINTE COUPEE AND WEST BATON ROUGE
BUDGETARY COMPARISON SCHEDULE - DRUG COURT
FOR THE YEAR ENDED JUNE 30, 2011**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE FINAL BUDGET
	ORIGINAL	FINAL	GAAP BASIS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental	\$135,000	\$114,107	\$115,400	\$1,293
Grant-TANF	20,893	20,893	20,893	0
Fees	0	0	5,159	5,159
Other Income	0	0	0	0
Total Revenues	155,893	135,000	141,452	6,452
EXPENDITURES:				
Current				
Personnel	56,490	57,273	48,923	8,350
Fringe	0	0	8,415	(8,415)
Travel	4,950	8,258	7,023	1,235
Operating Services	64,230	66,014	73,314	(7,300)
Operating Supplies	1,560	2,060	1,564	496
Other	7,770	1,395	0	1,395
Capital Outlay	0	0	0	0
Total Expenditures	135,000	135,000	139,239	(4,239)
Excess (Deficiency) Of Revenue Over Expenditures	20,893	0	2,213	2,213
FUND BALANCE, Beginning	5,766	5,766	10,654	0
FUND BALANCE, Ending	26,659	5,766	12,867	2,213

See notes to required supplementary information.

OTHER SUPPLEMENTAL INFORMATION

Certified Public Accountant

Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

December 14, 2011

Honorable Judges
Eighteenth Judicial District Court
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana

I have audited the financial statements of the Eighteenth Judicial District Court as of and for the year ended June 30, 2011, and have issued my report thereon dated December 14, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Eighteenth Judicial District Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (Finding 2010-1 and 2010-2) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eighteen Judicial District Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2011-1 and 2011-2.

Eighteenth Judicial District Court's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Eighteenth Judicial District Court's response and, accordingly, I express no opinion on it.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

A handwritten signature in black ink, appearing to read "Hal P. Smith". The signature is written in a cursive, flowing style.

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, LOUISIANA
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Re No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Corrective Action Taken</u>
1.	6-30-08	District Court Lacks the Qualifications and Skills To Prepare Their Financial Statements	No	N/A-Cost Benefit Too Great for the Small Entity

EIGHTEENTH JUDICIALE DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2011

A. Summary of Audit Results

Financial Statements:

Type of auditor's report issued: Unqualified

- **The auditor's report expressed an unqualified opinion on the financial statements.**
- **No significant deficiencies identified that are considered to a material weakness.**

B. Findings – Financial Statement Audit

2011-1

Condition: The Eighteenth Judicial District Court's management lack the qualifications and skills to prepare its financial statements.

Criteria: Statement on Auditing Standards No. 115 defines this deficiency in the design of Controls.

Effect: There is no material effect to the financial statements since the auditor prepared their statements

Recommendation: No recommendation because the District Court is so small and the cost-to-benefit Ratio is too great.

Management Response: The cost to hire another CPA is too great for this small District Court.

2011-2

Condition: The Hearing Officer Fund has a fund deficit of \$82,099.

Criteria: The State Constitution prohibits fund deficits.

Cause: The Hearing Officer Fund is supported by the Judicial Expense Fund to handle family law cases and not enough funds were provide by the Judicial Expense Fund to cover the cost.

Effect: There is a \$82,099 deficit to be made up.

Recommendation: The Judicial Expense Fund should cover the cost to eliminate the deficit.

Management Response: The Judicial Expense Fund's Fund Balance of \$547,742 will cover the cost in the future.

C. Management Letter

The auditor did not issue a management letter this year.

EIGHTEENTH JUDICIAL DISTRICT COURT
Parishes of Iberville, Pointe Coupee and West Baton Rouge, LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2011

Re: No - 2011-1

Description of Findings – Management lacks the qualifications and training to prepare their financial statements.

Corrective Action Plan –The cost-to-benefit does not justify the hiring of another CPA to prepare their financial statements.

Name of Contact – Bobby Stanley, Administrator

Anticipated Completion Date – N/A: Ratio is too great.

Re: No - 2011-2

Description of Findings – Hearing Officer Fund has a fund deficit.

Corrective Action Plan – The Judicial Expense Fund will cover the cost.

Name of Contact – Bobby Stanley, Administrator

Anticipated Completion Date – June 30, 2012